

R590-202. Condition-Specific Exclusion Riders in Individual Health Insurance Policies.

R590-202-1. Authority.

This rule is promulgated pursuant to Subsections 31A-2-202(1) and 31A-2-201(3)(a) in which the commissioner is empowered to administer and enforce this title, and to make administrative rules to implement the provisions of this title. The authority to establish a list of non-life threatening and non-degenerative physical conditions that may be the subject of a condition-specific exclusion rider is provided by Subsection 31A-30-107(5)(a)(iv) and (v).

R590-202-2. Purpose.

The purpose of this rule is to establish minimum standards and a list of non-life threatening and non-degenerative physical conditions that may be the subject of a condition-specific exclusion rider.

R590-202-3. Applicability and Scope.

This rule shall apply to a health benefit plan marketed on an individual basis even though the health benefit plan may be offered under or provided through a "group" policy or trust arrangement of any size sponsored by an association or a discretionary group.

R590-202-4. Definitions.

For the purposes of this rule the Commissioner adopts the definitions as set forth in Sections 31A-1-301, 31A-30-103 and the following:

(1) "Condition-Specific Exclusion Rider" means an addendum to the contract that specifically excludes coverage for a specified physical condition that is considered to be non-degenerative and non-life-threatening.

(2) "ICD-9 Code" means a code as listed and described in "The International Classification of Diseases, Ninth Revision, Clinical Modification, ICD-9-CM," which is a publication describing a classification system that groups related disease entities and procedures.

(3) "Non-degenerative" means a physical condition which typically does not naturally deteriorate or worsen over time.

(4) "Non-life-threatening" means a physical condition which does not typically result in a shortened life expectancy.

(5) "Secondary medical condition" means a condition that may or may not be directly related to or caused by the excluded physical condition.

R590-202-5. Minimum Standards and General Provisions.

(1) When selling an individual health benefit plan subject to this rule, an insurer shall first offer a plan that is in compliance with the requirements of Subsections 31A-30-107(5)(a)(i) and (ii). The insurer may then also offer an individual health benefit plan that excludes a specific physical condition, subject to the following provisions:

(a) the condition-specific exclusion rider must be mutually agreed to in writing and signed by both parties before the effective date of the policy;

(b) multiple physical conditions may be addressed under the provisions of this rule, through the use of separate exclusion riders;

(c) an insurer and its representatives must explain to the applicant the exact nature of the exclusion rider and how it affects the coverage under the policy; and

(d) a condition-specific exclusion rider may be reviewed periodically for possible

removal subject to mutual agreement of the insurer and the insured.

(2) Any physical condition that is non-life-threatening and non-degenerative may be a condition-specific exclusion. This list includes, but is not limited to:

- (a) acne,
- (b) benign skin lesions,
- (c) bunions,
- (d) deviated nasal septum,
- (e) dyspepsia,
- (f) fibrocystic breast disorder,
- (g) hammer toe,
- (h) hay fever,
- (i) impotence,
- (j) infertility
- (k) migraine headaches,
- (l) nasal polyps,
- (m) rhinitis,
- (n) tendonitis,
- (o) tenosynovitis,
- (p) topical dermatitis,
- (q) uncorrected fractures,
- (r) warts.

(3) The specific condition being excluded must be identified in the rider by the appropriate ICD-9-CM code, including category and written description.

(4) A condition-specific exclusion rider shall be limited to one specific excluded condition and shall not extend to any secondary medical condition that may or may not be directly related to the excluded condition.

R590-202-6. Severability.

If any provision or clause of this rule or its application to any person or situation is held invalid, such validity shall not affect any other provision or application of this rule which can be given effect without the invalid provision or application, and to this end the provisions of this rule are declared to be severable.

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